

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 9, 2019

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5h., Action Item

Prepared By: Clark Paulsen, Chief  
Division of Budgets

Subject: **FISCAL YEAR 2019-20 ANNUAL ALLOCATION FOR LOCAL ASSISTANCE –  
FEDERAL FUNDS  
RESOLUTION FM-19-02**

### **ISSUE:**

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request to allocate \$1,614,727,000 to administer the Local Assistance Federal Fiscal Year (FFY) 2019-20 federal annual allocation subvention budget under the authority of the Commission?

### **RECOMMENDATION:**

The Department recommends the Commission allocate \$1,614,727,000 for the Local Assistance federal annual allocation subvention budget in FFY 2019-20, consistent with the 2019 Budget Act.

### **BACKGROUND:**

The Department's Local Assistance Program administers the subvention budget under delegated authority from the Commission. Each year the Department requests an annual allocation for these funds consistent with the annual Budget Act. At the June 2019 Commission meeting, the Commission allocated approximately \$138 million of state subvention funds, per Resolution FM-18-05.

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The Department is requesting an allocation of approximately \$1.6 billion of federal subvention funds. The allocation of federal subvention funds will allow the Department to sub-allocate funds to specific projects submitted by local agencies.

The Fixing America’s Surface Transportation (FAST) Act was approved on December 4, 2015 and consolidated many of the local subvention sub-programs into five major federal programs. The FAST Act provides transportation funding over FFY 2016 through 2020. FHWA Notice N4510.835, issued on March 15, 2019, transmits the certificate of Highway Infrastructure Program (HIP) apportionment appropriated in Fiscal Year 2019 for activities eligible under 23 United States Code 133(b)(1)(A) pursuant to the federal Department of Transportation Appropriations Act, 2019. This funding is available for obligation until September 30, 2022.

The Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21) was approved on July 6, 2012, and consolidated the Safe Routes to School Program into the Active Transportation Program (ATP). However, the remaining apportionments from Safe, Accountable, Flexible, Efficient Transportation Equity Act (SAFETEA-LU) for Safe Routes to School Program remain available until expended according to the Fact Sheet from Federal Highway Administration.

The Department is requesting \$1,614,727,000 to sub-allocate funds to projects in the following programs:

<b>Program</b>	<b>Allocation Request</b>
National Highway Performance Program	\$287,641,000
Surface Transportation Block Grant Program	\$460,251,000
Congestion Mitigation and Air Quality Improvement Program	\$480,648,000
Highway Safety Improvement Program	\$138,672,000
Railroad Grade Crossing Protection	\$32,000,000
Safe Routes to School Program	\$3,780,000
Discretionary & Special Programs	\$113,700,000
Highway Infrastructure Program	\$98,035,000
<b>Total</b>	<b>\$1,614,727,000</b>

The guidelines for allocating, monitoring, and auditing of funds for Local Assistance projects are set forth in Commission Resolution G-99-25, which is based on Section 14529.1 of the California Government Code. Commission Resolution G-01-08 delegates the authority to the Department to adjust allocations between categories, and the Department reports to the Commission if transfers in or out of an expenditure category exceed 10 percent of its allocation.

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**FINANCIAL RESOLUTION:**

Resolved, that \$1,614,727,000 of federal funds be allocated from the Budget Act of 2019, Budget Act Item 2660-102-0890(1), in accordance with the table on the next page, bringing the total annual allocation for the Fiscal Year 2019-20 Local Assistance subvention budget to \$1,752,248,000.

**ANNUAL ALLOCATION  
FISCAL YEAR 2019-20 FUNDS FOR LOCAL ASSISTANCE  
(Dollars in Thousands)**

	State	Federal	Total
<b>2660-102-0042(1)</b>			
Surface Transportation Block Grant Program (STBGP) State Match and Exchange	\$64,292		\$64,292
Bridge Inspection	735		735
Railroad Grade Separations	15,000		15,000
Railroad Grade Crossing Maintenance	3,765		3,765
Miscellaneous Unassigned Local Programs	3,250		3,250
Freeway Service Patrol	25,479		25,479
Freeway Service Patrol – Senate Bill 1	25,000		25,000
<b>Subtotal</b>	<b>\$137,521</b>		<b>\$137,521</b>
<b>2660-102-0890(1)</b>			
National Highway Performance Program (NHPP) <sup>1</sup>		\$287,641	\$287,641
Surface Transportation Block Grant Program (STBGP) <sup>2</sup>		460,251	460,251
Congestion Mitigation and Air Quality Improvement Program (CMAQ)		480,648	480,648
Highway Safety Improvement Program (HSIP)		138,672	138,672
Railroad Grade Crossing Protection		32,000	32,000
Safe Routes to School Program		3,780	3,780
Discretionary and Special Programs <sup>3</sup>		113,700	113,700
Highway Infrastructure Program (HIP)		98,035	98,035
<b>Subtotal</b>		<b>\$1,614,727</b>	<b>\$1,614,727</b>
<b>Total Local Programs</b>	<b>\$137,521</b>	<b>\$1,614,727</b>	<b>\$1,752,248</b>
June 26-27, 2019, State Allocation, FM-18-05			-\$137,521
<b>Current Allocation Request</b>			<b>\$1,614,727</b>

<sup>1</sup> Funding is reserved for locally-administered bridges on federal-aid highways and about \$75 million is set aside for bridges that are off federal-aid highways.

<sup>2</sup> About \$64 million is budgeted to be exchanged on a dollar-for-dollar basis for State Highway Account funds (2660-102-0042(1)).

<sup>3</sup> This funding is for Discretionary programs: Demonstration projects, High Priority projects, Emergency Relief, Repurposed Earmark Special funding, Build Grants, Ferry Boat Program, Federal Land Access Program, and special federal programs for FAST Act and previous Federal Transportation Acts.

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